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LOK SABHA

The following Bill was introduced in Lok Sabha on the 10th August, 1960:—

*BILL No. 46 OF 1960.

A Bill to implement the international agreement for the establishment and operation of the International Development Association in so far as it relates to the status, immunities and privileges of that Association, and for matters connected therewith.

■ it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

1. (1) This Act may be called the International Development Association (Status, Immunities and Privileges) Act, 1960. Short title,
extent and
commence
ment.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,— Definitions.

(a) "Agreement" means the Agreement for the establishment and operation of the international body known as the International Development Association;

(b) "Association" means the International Development Association established under the Agreement.

*The President has, in pursuance of clause (1) of article 117 and clause (1) of article 374 of the Constitution of India, recommended to Lok Sabha the introduction of the Bill.

Conferment
of status and
certain
immunities
and privileges
on the Associ-
ation and
conferment
of certain
immunities
and privileges
on its officers
and
employees.

3. (1) Notwithstanding anything to the contrary contained in any other law, the provisions of Article VIII of the Agreement set out in the Schedule shall have the force of law in India:

Provided that nothing in section 9 thereof shall be construed as—

(a) entitling the Association to import into India goods free of any duty of customs without any restriction on their subsequent sale therein; or

(b) conferring on the Association any exemption from duties or taxes which form part of the price of goods sold; or

(c) conferring on the Association any exemption from duties or taxes which are in fact no more than charges for services rendered.

(2) The Central Government may, from time to time, by notification in the Official Gazette, amend the Schedule in conformity with any amendments, duly made and adopted, of the provisions of the Agreement set out therein.

Power to
make rules.

4. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Notifications
under section
3 and rules
under section
4 to be placed
before
Parliament.

5. Every notification issued under sub-section (2) of section 3 and every rule made under section 4 shall be laid as soon as may be after it is issued or made before each House of Parliament while it is in session for a period of thirty days which may be comprised in one session or in two successive sessions and if before the expiry of the session in which it is so laid or the session immediately following both Houses agree for making any modification in the notification, or as the case may be, in the rule, or both Houses agree that the notification or rule should not be issued or made, the notification or rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification or rule.

THE SCHEDULE

(See section 3)

Provisions of the agreement which shall have force of law

ARTICLE VIII

STATUS, IMMUNITIES AND PRIVILEGES

Section 1.—Purposes of Article.

To enable the Association to fulfil the functions with which it is entrusted, the status, immunities and privileges provided in this Article shall be accorded to the Association in the territories of each member.

Section 2.—Status of the Association.

The Association shall possess full juridical personality and, in particular, the capacity:

- (i) to contract;
- (ii) to acquire and dispose of immovable and movable property;
- (iii) to institute legal proceedings.

Section 3.—Position of the Association with regard to Judicial Process.

Actions may be brought against the Association only in a court of competent jurisdiction in the territories of a member in which the Association has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. No actions shall, however, be brought by members or persons acting for or deriving claims from members. The property and assets of the Association shall, wheresoever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the Association.

Section 4.—Immunity of Assets from Seizure.

Property and assets of the Association, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

Section 5.—Immunity of Archives.

The archives of the Association shall be inviolable.

Section 6.—Freedom of Assets from Restrictions.

To the extent necessary to carry out the operations provided for in this Agreement and subject to the provisions of this Agreement, all property and assets of the Association shall be free from restrictions, regulations, controls and moratoria of any nature.

Section 7.—Privilege for Communications.

The official communications of the Association shall be accorded by each member the same treatment that it accords to the official communications of other members.

Section 8.—Immunities and Privileges of Officers and Employees.

All Governors, Executive Directors, Alternates, Officers and employees of the Association,

(i) shall be immune from legal process with respect to acts performed by them in their official capacity except when the Association waives this immunity;

(ii) not being local nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are accorded by members to the representatives, officials, and employees of comparable rank of other members;

(iii) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

Section 9.—Immunities from Taxation.

(a) The Association, its assets, property, income and transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties. The Association shall also be immune from liability for the collection or payment of any tax or duty.

(b) No tax shall be levied on or in respect of salaries and emoluments paid by the Association to Executive Directors, Alternates, officials or employees of the Association who are not local citizens, local subjects, or other local nationals.

(c) No taxation of any kind shall be levied on any obligation or security issued by the Association (including any dividend or interest thereon) by whomsoever held,

(i) which discriminates against such obligation or security solely because it is issued by the Association; or

(ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Association.

(d) No taxation of any kind shall be levied on any obligation or security guaranteed by the Association (including any dividend or interest thereon) by whomsoever held,

(i) which discriminates against such obligation or security solely because it is guaranteed by the Association; or

(ii) if the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the Association.

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STATEMENT OF OBJECTS AND REASONS

A new financial institution called the International Development Association is being established, as an affiliate of the International Bank for Reconstruction and Development, by an International Agreement to which India will be a signatory. Article VIII of the Articles of Agreement of the said Association provides for the granting to the Association and its officials and employees certain status, immunities and privileges in the territory of each member country. Section 10 of this Article requires each member country to take such action as is necessary in its own territories for the purpose of making effective in terms of its own law, the principles set forth in the Article. By this Bill, it is proposed to enact the necessary legislation to give effect to the provisions of the said Article VIII of the Articles of Agreement.

MORARJI R. DESAI.

NEW DELHI;
The 20th July, 1960.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 (2) of the Bill confers power on the Central Government to amend the Schedule in conformity with any amendments, duly made and adopted, of the provisions of the Agreement set out therein.

Clause 4 of the Bill confers power upon the Central Government to make rules for carrying out the purposes of the Act. The immunities and privileges of the International Development Association and its officials and employees having been specified in the Schedule to the Bill, occasions for making rules, if any, will be few and far between. The Association has not yet started its functions in India. It is not possible, therefore, to envisage at this stage the matters which may have to be provided for by rules. But as the immunities and privileges have been specified in the Bill, it is clear that rules, if any, will be confined to matters of procedure and other matters of minor detail relating to the enjoyment of those immunities and privileges and their waiver. For instance, if the Association decides to waive any of the immunities or privileges, a rule may be necessary prescribing the manner in which and the officer of the Government to whom such waiver should be communicated.

The delegation of legislative power is thus of a normal type.

M. N. KAUL,
Secretary.

